



Expanding the Housing Allowance Program - Supplementary Report

Date: June 19, 2019
To: Planning and Housing Committee
From: Executive Director, Housing Secretariat
Wards: All

SUMMARY

This Supplementary Report to item PH6.3 Expanding the Housing Allowance Program provides program implementation details on how new federal/ provincial funding can be invested to alleviate chronic homelessness by expanding the City's current housing allowance program. Over the next three years (2019-2022) the new Ontario Priorities Housing Initiative (OPHI) can provide 100 new households a month with a housing allowance, beginning this summer. In total, some 3,200 people experiencing homelessness will be supported through this initiative.

At its meeting of May 28, 2019 the City's Planning and Housing Committee deferred consideration of item PH6.3 Expanding the Housing Allowance Program to its July 3, 2019 meeting. PH6.3 responds to City Council's request, originating from a Member's Motion, that staff report on potential measures and funding options to expand the housing allowance program, including the creation of a new upper tier of the Municipal Land Transfer Tax (MLTT). With the availability of federal/provincial OPHI funding, changes to the MLTT are unnecessary. PH6.3 provides background on the City's housing allowance program, reviews the impact of expanding the program, and addresses funding options.

Also on the July 3, 2019 Planning and Housing Committee agenda, a concurrent report titled Activating Federal/ Provincial Funding to Increase Housing Options for Toronto Residents, recommends the City participate in the new federal/ provincial Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI). These programs have allocated \$159.8 million in federal/ provincial housing funds to the City of Toronto for the three year program period of 2019 to 2022. Housing allowances are an eligible program component of the OPHI, providing a funding source which will fully fund an expansion of the City's housing allowance program. Upon adoption of the report Activating Federal/Provincial Funding to Increase Housing Options for Toronto Residents by City Council, the program delivery details in this Supplementary Report to PH6.3 will be implemented.

Toronto's competitive and inflationary rental housing market creates significant challenges for homeless or low-income households looking for an apartment, and for the delivery of the City's housing allowance programs. Toronto's rental housing vacancy rate has been at historic lows for many years, making finding an apartment to rent increasingly difficult, and the asking rents of apartments that are available for rent on the market are now significantly higher than the average rents of occupied rental homes.

This report was prepared in consultation with the City's Shelter, Support and Housing Administration Division.

RECOMMENDATIONS

The Executive Director, Housing Secretariat, recommends that:

1. Planning and Housing Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from this report. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of May 28, 2019 the City's Planning and Housing Committee deferred item PH6.3 Expanding the Housing Allowance Program. The associated staff report from the Executive Director, Housing Secretariat, was in response to City Council's request, originating from a Member's Motion, that the General Manager, Shelter Support and Housing Administration report on potential measures and funding options to expand the housing allowance program, including the creation of a new upper tier of the Municipal Land Transfer Tax (MLTT). The report provides background on the City's housing allowance program, reviews the impact of expanding the program, and addresses funding options. The Committee decision is available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH6.3>

At its meeting of March 27 and 28, 2019, City Council adopted MM5.2 Expanding the City's Housing Allowance Program, requesting the General Manager, Shelter, Support and Housing Administration to report to the May 28, 2019 meeting of the Planning and Housing Committee on potential measures to expand the Housing Allowance program and funding options to do so, including but not limited to the creation of a new tier of the Municipal Land Transfer Tax for transactions above the current top tier. The Council decision is available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM5.2>

At its meeting on May 14, 2019 City Council adopted MM7.13 Impact of 2019 Provincial Budget on the City of Toronto, which introduced for Council consideration the report

2019 Ontario Budget and Legislation Update (May 13, 2019) from the City Manager. The report estimated the funding loss to the City of Toronto Council-approved 2019 Budget due to the 2019 Ontario Budget at \$177.65 million. The Council decision is available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM7.13>

COMMENTS

This is a Supplementary Report to PH6.3 Expanding the Housing Allowance Program. PH6.3 provides background on the City's housing allowance program, reviews the impact of expanding the program, and addresses funding options to support a program expansion.

A concurrent report, titled Activating Federal/ Provincial Funding to Increase Housing Options for Toronto Residents, recommends the City participate in the new federal/ provincial Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI). These programs provide a combined federal/ provincial funding allocation to the City of Toronto of \$159.8 million over the next three years (2019-2022). Housing allowances are an eligible program component of the OPHI and, should City Council adopt the report's recommendations, OPHI would fully fund a three year expansion of the City's housing allowance program. This Supplementary Report provides implementation details on how housing allowance funding would be delivered if OPHI is adopted by the City.

The City has delivered housing allowances since 2008. There are currently more than 5,400 households in Toronto receiving a housing allowance to assist them to maintain their housing. Housing allowances are a fixed-amount monthly housing benefit provided directly to eligible households, who are usually renting homes in the private market. The allowance is provided to the household, so if the household moves to another rental home they are able to take the allowance with them.

Housing allowances are an important tool to help address homelessness, providing access to affordable rental housing and assisting people to move out of emergency shelters more quickly. The chronic homelessness stream of the City's housing allowance program is aimed at people who have been homeless 6 months or more. Approximately 100 new households a month are currently approved to receive a housing allowance to help move out of homelessness and into secure rental housing.

Referrals for the chronic homelessness program stream are made by shelters, 24-hour respite sites, 24-hour women's drop-ins and Streets to Homes outreach partner agencies who work directly with their clients to complete housing allowance applications and secure housing.

At the rate of 100 new households a month, over the next three years OPHI housing allowance funding is projected to provide some 3,200 people experiencing homelessness with a monthly allowance to assist in finding a permanent and affordable rental home. Staff will begin making the new housing allowance funding available this summer, as soon as City Council adopts the report Activating Federal/ Provincial

Funding to Increase Housing Options for Toronto Residents and the COCHI/OPHI Transfer Agreement with the Province is signed.

Conclusion

Expanding the City's current housing allowance programs using federal/provincial OPHI funding will provide stable, affordable housing opportunities to chronically homeless households who would otherwise face major barriers to securing housing. Without access to a housing allowance to make rent more affordable, low-income individuals are challenged to find housing in Toronto's high-priced market. The shelter portions of Ontario Works (OW) or the Ontario Disability Support Program (ODSP) provide for only \$390 and \$479 respectively per month. Providing housing allowances to chronically homeless households will also reduce pressure on Toronto's emergency shelter system, decreasing the number of people staying for longer periods of time in the system.

Toronto's competitive and inflationary rental market also creates challenges for the delivery of the City's housing allowance programs. Toronto's rental housing vacancy rate has been at historic lows for a number of years, making finding an apartment to rent difficult and giving landlords more choice over who to rent to. Further, while Canada Mortgage and Housing Corporation reports that the average monthly rents of a bachelor apartment in Toronto is \$1,089 and a one-bedroom is \$1,270, the asking rents of apartments that are actually available for rent are significantly higher.

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